

ASSEMBLY BILL

No. 591

**Introduced by Assembly Member Wieckowski
(Principal coauthor: Assembly Member Dickinson)**

February 16, 2011

An act to amend Sections 3106, 3107, and 3270 of the Public Resources Code, relating to oil and gas production.

LEGISLATIVE COUNSEL'S DIGEST

AB 591, as introduced, Wieckowski. Oil and gas production: hydraulic fracturing.

Under existing law, the Division of Oil, Gas, and Geothermal Resources in the Department of Conservation regulates the drilling, operation, maintenance, and abandonment of oil and gas wells in the state. The State Oil and Gas Supervisor supervises the drilling, operation, maintenance, and abandonment of wells and the operation, maintenance, and removal or abandonment of tanks and facilities related to oil and gas production within an oil and gas field regarding safety and environmental damage.

Existing law also requires the supervisor to supervise the drilling, operation, maintenance, and abandonment of wells so as to permit the owners and operators of the wells to utilize all methods and practice known to the industry for the purpose of increasing the ultimate recovery of underground hydrocarbons. It is the policy of the state generally to allow an operator in producing and removing hydrocarbons to perform certain procedures, as the injection of air, gas, water, or other fluids, or the application of pressure heat.

This bill would include in that policy the process of hydraulic fracturing. The bill also would require the district deputy for oil and

gas production in each district of the state to show on maps through a special designation each well where hydraulic fracturing is being used, including in restimulation of a well. The bill would require the division, by regulation, in prescribing minimum facility maintenance standards for production facilities to compile a list of any chemicals or components used in the process of hydraulic fracturing.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. The Legislature finds and declares all of the
2 following:

3 (a) Hydraulic fracturing is a technique used in the production
4 of oil and gas that involves the injection under great pressure of
5 water, a proppant, such as sand or ceramic beads, and a small mix
6 of chemicals into an underground geologic formation in order to
7 fracture the formation, thereby causing the flow of oil or gas to
8 the surface.

9 (b) Although hydraulic fracturing is not as widely used in
10 California as in some parts of the country, it has been used in
11 California to extract oil and gas and has the potential to be used
12 more extensively.

13 (c) The chemicals used in the practice of hydraulic fracturing
14 have the potential to migrate into nearby strata and aquifers.

15 (d) The Division of Oil, Gas, and Geothermal Resources in the
16 Department of Conservation, which has the obligation to protect
17 public health and the resources of the state, including groundwater
18 resources, has the authority to regulate all oil and gas drilling in
19 the state, but has not been regulating hydraulic fracturing,
20 apparently due to the lack of the adoption of specific regulations.

21 (e) The state and public should know where hydraulic fracturing
22 is occurring and what chemicals are being used in the process.

23 SEC. 2. Section 3106 of the Public Resources Code is amended
24 to read:

25 3106. (a) The supervisor shall~~se~~ supervise the drilling,
26 operation, maintenance, and abandonment of wells and the
27 operation, maintenance, and removal or abandonment of tanks and
28 facilities attendant to oil and gas production, including pipelines
29 not subject to regulation pursuant to Chapter 5.5 (commencing

1 with Section 51010) of Part 1 of Division 1 of Title 5 of the
2 Government Code that are within an oil and gas field, ~~so as in~~
3 *order* to prevent, as far as possible, damage to life, health, property,
4 and natural resources; damage to underground oil and gas deposits
5 from infiltrating water and other causes; loss of oil, gas, or reservoir
6 energy; and damage to underground and surface waters suitable
7 for irrigation or domestic purposes by the infiltration of, or the
8 addition of, detrimental substances.

9 (b) The supervisor shall also supervise the drilling, operation,
10 maintenance, and abandonment of wells ~~so as in order~~ to permit
11 ~~the owners or operators of the wells~~ *an owner or operator of a*
12 *well* to utilize all methods and practices known to the oil industry
13 for the purpose of increasing the ultimate recovery of underground
14 hydrocarbons and which, in the opinion of the supervisor, are
15 suitable for this purpose in each proposed case. To further the
16 elimination of waste by increasing the recovery of underground
17 hydrocarbons, it is hereby declared as a policy of this state that
18 the grant in an oil and gas lease or contract to a lessee or operator
19 of the right or power, in substance, to explore for and remove all
20 hydrocarbons from any lands in the state, in the absence of an
21 express provision to the contrary contained in the lease or contract,
22 is deemed to allow the lessee or contractor, or the lessee's or
23 contractor's successors or assigns, to do what a prudent operator
24 using reasonable diligence would do, having in mind the best
25 interests of the lessor, lessee, and the state in producing and
26 removing hydrocarbons, including, but not limited to, the injection
27 of air, gas, water, or other fluids into the productive strata, the
28 application of pressure heat or other means for the reduction of
29 viscosity of the hydrocarbons, *the process of hydraulic fracturing*,
30 the supplying of additional motive force, or the creating of enlarged
31 or new channels for the underground movement of hydrocarbons
32 into production wells, when these methods or processes employed
33 have been approved by the supervisor, except that nothing
34 contained in this section imposes a legal duty upon the lessee or
35 contractor, or the lessee's or contractor's successors or assigns, to
36 conduct these operations.

37 (c) The supervisor may require an operator to implement a
38 monitoring program, designed to detect releases to the soil and
39 water, including both groundwater and surface water, for
40 aboveground oil production tanks and facilities.

(d) To best meet oil and gas needs in this state, the supervisor shall administer this division so as to encourage the wise development of oil and gas resources.

SEC. 3. Section 3107 of the Public Resources Code is amended to read:

3107. (a) A district deputy in each district, designated by the supervisor, shall collect all necessary information regarding the oil and gas wells in the district, with a view to determining the presence of oil and gas sands and the location and extent of strata bearing water suitable for irrigation or domestic purposes that might be affected. ~~The~~

(b) ~~The~~ district deputy shall prepare maps and other accessories necessary to determine the presence of oil and gas sands and the location and extent of strata bearing water suitable for irrigation or domestic purposes or surface water suitable for those purposes. ~~This~~ *Each well where hydraulic fracturing is being used, including in restimulation of a well, shall be shown on these maps through a special designation.*

(c) ~~This~~ work shall be done with the view to advising ~~the operators~~ *an operator* as to the best means of protecting the oil and gas sands and the water-bearing strata and surface water, and with a view to aiding the supervisor in ordering tests or repair work at wells. ~~All this~~ data shall be kept on file in the office of the district deputy of the respective district *and in the supervisor's office, and shall be made available to any member of the public who requests to view it.*

SEC. 4. Section 3270 of the Public Resources Code is amended to read:

3270. (a) The division shall, by regulation, prescribe minimum facility maintenance standards for all production facilities in the state. The regulations shall include, but are not limited to, standards for all of the following:

- (1) Leak detection.
- (2) Corrosion prevention and testing.
- (3) Tank inspection and cleaning.
- (4) Valve and gauge maintenance, and secondary containment maintenance.
- (5) Other facility or equipment maintenance that the supervisor deems important for the proper operation of production facilities and that the supervisor determines are necessary to prevent damage

1 to life, health, property, and natural resources; damage to
2 underground oil and gas deposits from infiltrating water and other
3 causes; loss of oil, gas, or reservoir energy; and damage to
4 underground and surface waters suitable for irrigation or domestic
5 purposes by the infiltration of, or the addition of, detrimental
6 substances.

7 *(6) A complete list of any chemicals or components used in the*
8 *process of hydraulic fracturing.*

9 (b) An operator who constructs, acquires, maintains, or alters
10 an oil well or a production facility shall comply with the standards
11 prescribed pursuant to subdivision (a).

12 (c) In a form and at a time prescribed by the division in
13 regulation, an operator shall notify the supervisor of the
14 construction, alteration, or decommissioning of a production
15 facility.

16 (d) An operator shall maintain at the production facility's local
17 office records of maintenance and repair operations, tests, and
18 inspections, and shall provide the supervisor with access to these
19 records at all times during normal business hours and with copies
20 of the records immediately, upon request.